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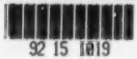

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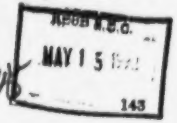

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended March 31, 1992

OR

___ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____.

Commission file number 33-25799-A

NORTH GEORGIA NATIONAL BANCSHARES, INC.

GEORGIA 58-1817442

Ten Parkway 575
Woodstock, Georgia 30188

Registrant's telephone number, including area code (404) 924-2265

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES (X) NO ( )

APPLICABLE ONLY TO CORPORATE ISSUERS: Indicate the shares outstanding of each of the issuer's classes of common stock as of the latest practicable date.

Common stock, $1.00 par value per share, 612,641 shares issued and outstanding as of March 31, 1992

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NORTH GEORGIA NATIONAL BANCSHARES, INC.
AND SUBSIDIARY

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PART I FINANCIAL INFORMATION

Item 1. Consolidated Financial Statements

CONSOLIDATED BALANCE SHEETS

NORTH GEORGIA NATIONAL BANCSHARES, INC.

	March 31, 1992	December 31, 1991
ASSETS		
Cash and due from banks	$ 2,164,516	$ 1,261,731
Federal funds sold	4,250,000	2,875,000
Investment securities (market value of $5,749,130 at March 31, 1992 and $6,274,737 at December 31, 1991	5,814,673	6,057,494
Loans	18,250,346	16,086,105
Less:		
Allowance for loan losses	(227,000)	(201,000)
TOTAL NET LOANS	18,023,346	15,885,105
Premises and equipment	1,812,069	1,839,488
Interest receivable	259,950	303,800
Other assets	486,948	121,056
TOTAL ASSETS	$ 32,811,502	28,343,674
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Deposits:		
Non-interest bearing demand	$ 3,028,851	$ 1,946,727
Interest bearing:		
Savings and NOW	4,834,343	2,450,507
Time certificates of deposit of $100,000 or more	5,725,775	5,270,553
All others	13,543,535	13,364,114
TOTAL DEPOSITS	27,132,504	23,031,901
Accrued interest on deposits	107,357	116,704
Accounts payable and other liabilities	585,041	176,881
TOTAL LIABILITIES	27,824,902	23,325,486
STOCKHOLDERS' EQUITY		
Common stock, $1 par value, authorized 2,000,000 shares; issued and outstanding 612,641 shares at March 31, 1992 and December 31, 1991	612,641	612,641
Additional paid in capital	5,453,978	5,453,978
Accumulated deficit	(1,080,019)	(1,048,431)
TOTAL STOCKHOLDERS' EQUITY	4,986,600	5,018,188
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 32,811,502	$ 28,343,674

See notes to consolidated financial statements

CONSOLIDATED STATEMENTS OF OPERATIONS

NORTH GEORGIA NATIONAL BANCSHARES, INC.

	For the Three Months Ended March 31 1992	1991
INTEREST INCOME		
Interest and fees on loans	$ 460,347	$ 182,201
Interest on taxable investment securities	107,296	101,480
Interest on federal funds sold	27,862	70,363
TOTAL INTEREST INCOME	595,505	354,044
INTEREST EXPENSE		
Interest on deposits, $100,000 and over	118,276	60,123
Interest on all other deposits	201,522	168,744
TOTAL INTEREST EXPENSE	319,798	228,867
NET INTEREST INCOME	275,707	125,177
Provision for loan losses	26,000	26,950
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	249,707	98,227
OTHER INCOME		
Service charges and fees on deposits	25,273	10,897
Other income	2,598	747
TOTAL OTHER INCOME	27,871	11,644
OTHER EXPENSES		
Salaries and employee benefits	163,838	147,382
Occupancy and equipment	49,983	45,358
Other operating expenses	95,345	94,235
TOTAL OTHER EXPENSES	309,166	286,975
NET INCOME (LOSS)	$ (31,588)	$ (177,104)
Net income (loss) per share	$ (.05)	$ (.29)
Weighted average number of shares outstanding	612,641	612,641

See notes to consolidated financial statements

CONSOLIDATED STATEMENTS OF CASH FLOWS

NORTH GEORGIA NATIONAL BANCSHARES, INC.

	For the Three Months Ended March 31, 1992	1991
OPERATING ACTIVITIES		
Net income (loss)	$ (31,588)	$ ($177,104)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Provision for loan losses	26,900	26,950
Provision for amortization	5,043	5,043
Provision for depreciation	30,153	29,964
Amortization of investment security premium	7,535	932
Accretion of investment security discount	(3,075)	(1,080)
Decrease (increase) in interest receivable	43,850	(28,652)
Decrease in accrued interest on deposits	(9,347)	(3,730)
Increase in other assets	(370,935)	(13,343)
Increase in accounts payable and other liabilities	408,160	40,378
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	105,796	(120,642)
INVESTING ACTIVITIES		
Maturities of investment securities	238,361	(1,479,309)
Investment in premises and equipment	(2,734)	(16,631)
Net increase in loans	(2,164,241)	(1,262,670)
NET CASH USED IN INVESTING ACTIVITIES	(1,928,614)	(2,758,610)
FINANCING ACTIVITIES		
Net increase in demand deposits, NOW accounts, savings accounts, and time certificates of deposits	4,100,603	3,413,092
NET CASH PROVIDED BY FINANCING ACTIVITIES	4,100,603	3,413,092
DECREASE IN CASH AND CASH EQUIVALENTS	2,277,785	533,840
Cash and cash equivalents at beginning of period	4,136,731	4,532,965
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 6,414,516	$ 5,066,805

See notes to consolidated financial statements

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NORTH GEORGIA NATIONAL BANCSHARES, INC.

March 31, 1992

NOTE A--ORGANIZATION AND OPERATIONS

North Georgia National Bancshares, Inc. (the "Company") was incorporated on November 14, 1988 and commenced banking operations on July 30, 1990. During the period from November 14, 1988 to July 30, 1990, the Company was in the development stage and devoted most of its efforts to financial planning, raising capital, recruiting personnel, and constructing a bank building.

NOTE B--GENERAL

The accompanying consolidated financial statements reflect the accounts of North Georgia National Bancshares, Inc. and its wholly owned subsidiary, North Georgia National Bank. The financial statements as of and for the three months ended March 31, 1992 and for the three months ended March 31, 1991 are unaudited; however, in the opinion of management, all adjustments necessary for a fair presentation of the financial position and results of operations and cash flows have been included. All such adjustments are of a normal recurring nature. These financial statements should be read in conjunction with the Company's 1991 Annual Report on Form 10-K. Results of operations for the three months ended March 31, 1992 are not necessarily indicative of the results of operations for the full year or any interim periods.

NOTE C--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organizational Costs: The expenses associated with the formation of the Company were paid by the Company and capitalized as organizational costs and are being amortized on the straight-line method over a period of five years.

Earnings (loss) per share: Earnings (loss) per share have been computed using the weighted average number of shares outstanding during each period. Common stock equivalents are not dilutive and, therefore, have not been included in weighted average shares outstanding.

Cash Flow Information: For purposes of the statement of cash flows, cash equivalents include amounts due from banks and federal funds sold.

Reclassifications: Certain amounts as previously reported have been reclassified to conform to the current period presentation.

NOTE D--SUBSQUENT EVENTS

The Bank has entered into a agreement with the Resolution Trust Corporation to assume certain assets and purchase certain liabilities of the Administrative Office of First Federal Savings Bank, Ashburn, Georgia. The office of the failed Thrift is located in Fulton County, Georgia which is a part of the secondary trade area. The purchase included approximately $8.2 million in deposits for which the bank paid $252,000. The resolution date was set for April 3, 1992.

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following is a discussion of the Company's financial condition at March 31, 1992 compared to December 31, 1991, and the results of operations for the threee month period ended March 31, 1992 compared to the three month period ended March 31, 1991.

Liquidity and Sources of Capital

The Company was incorporated on November 14, 1988 and began banking operations on July 30, 1990. During the period from November 14, 1988 to July 30, 1990, the Company was in the development stage and devoted most of its efforts to organizing, incorporating, financial planning, raising capital, and recruiting personnel.

During the three months ended March 31, 1992, total assets increased $4,467,828. This increase was a result of the continued efforts to increase the earning assets of the bank as well as increase the core deposit base. The Company increased deposits by $4,499,416 which included non-interest bearing deposits of $1,082,124 and interest bearing deposits of $3,018,479. Rates for interest bearing deposits ranged from 4% to 7.5% for the period. Loans increased $2,164,241 and investment securities decreased $242,821 during the period. Short term investments in federal funds increased $1,375,000 for the three month period.

Liquidity, as defined by short term investments maturing within one year as a percent of deposits, is 30.11% at March 31, 1992. The federal funds position, deposits at financial institutions, and the investment securities portfolio provide liquidity as deposits mature. Management feels that the ratio is adequate in the event of deposit decline and does not anticipate any demands, commitments, or events that will or that are reasonably likely to have any adverse effects on the ability of the Company to maintain adequate liquidity levels.

The following summarizes the interest sensitivity position of the Company at March 31, 1992.

	Time Horizon		
	0 - 3 Months	0 - 6 Months	0 - 12 Months
	(amounts in thousands)		
Interest sensitive assets	$12,983	$16,903	$21,297
Interest sensitive liabilities	12,603	17,175	22,884
Assets less liabilities	$380	($272)	($1,587)

As indicated above, the position within the short term reflects that any change in market rates will not materially affect the ability of the bank to improve earnings, however, during the three month horizon the bank will be able to reprice many of the time deposits to lower rates. This adjustment should allow the bank to decrease its interest expense if rates maintain their present level or decline. Management is continually monitoring this position.

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

NORTH GEORGIA NATIONAL BANCSHARES, INC.

Liquidity and Sources of Capital (continued)

The Company's equity to assets ratio of 15.20% at March 31, 1992 decreased from 17.70% at December 31, 1991. This decrease was the result of losses sustained by the bank subsidiary during the first three months of 1991 and the steadily increasing asset base created in the ordinary course of banking by receiving deposits and funding loans. The equity base of the Company remains healthy and above regulatory requirements. The following table illustrates the equity ratios at March 31, 1992 and December 31, 1991.

	March 31, 1992	December 31, 1991
Equity to outstanding loans	27.32%	31.20%
Equity to deposits	18.30%	21.70%
Equity to assets	15.20%	17.70%

Results of Operations

Interest income for the three months ended March 31, 1992 was $595,505. Interest and fees on loans during the three months ended March 31, 1992 was $460,345, representing a yield of 10.90% of average outstanding loans; interest from federal funds sold amounted to $27,862, representing a yield of 3.85% on average outstanding funds sold; and interest on investment securities was $107,296, representing a yield of 7.82% on the average outstanding investment securities. Interest expense for the three month period ended March 31, 1992 was $319,798 representing a cost of funds of 6.64% for interest incurred on certificates of deposit and other interest bearing deposit accounts. Net interest margin for the three months ended March 31, 1992 was 4.27% which is consistent with the budget plan of the Company for the period.

The Company generated $25,273 in service charges and fees on deposit accounts and $2,598 from other charges and fees during the three months ended March 31, 1992. Operating expenses were $309,166 and the provision for loan losses was $26,000 for the three month period ended March 31, 1992. There we no significant increases in operating expenses compared to those of the three months period ended March 31, 1991. The Company reduced its losses during the first quarter of 1992 primarily due to the continued increase in earning assets while being able to reduce its cost of funds and hold operating expenses intact. The Company had a loan loss reserve of $227,000, 1.25% of outstanding loans at March 31, 1992. Management considers this amount to be adequate coverage for any unanticipated loan losses.

The Company recorded a net loss for the three month period ended March 31, 1992 of approximately $36,600, which indicated an improvement over the loss recorded for the three month period ended March 31, 1991 of approximately $177,000.

NORTH GEORGIA NATIONAL BANCSHARES, INC.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings - There are no material pending legal proceedings to which the Company or any of its subsidiaries is a party or of which any of their property is the subject.

Item 2. Changes in Securities -

(a) No constituent instruments defining the rights of the holders of any class of registered securities have been materially modified.

(b) No rights evidenced by any class of registered securities have been materially limited or qualified by the issuance or modification of any other class of securities.

As of March 31, 1992 the Company had 612,641 shares of common stock, par value $1.00 per share, issued and outstanding to 378 stockholders of record.

Item 3. Submission of Matters to a Vote of Security Holders - No matter has been submitted to a vote of security holders during the quarter.

Item 4. Other Information - There are no other matters of information submitted in this report.

Item 5. Exhibits and Reports on Form 8-K

(a) Exhibits

1. Statement regarding computation of per share earnings

(b) Reports on Form 8-K - Not applicable

SIGNATURES

Pursuant of the requirements of the Securities and Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

NORTH GEORGIA NATIONAL BANCSHARES, INC.

Date: May 13, 1992

By: Donald D. Howard
Donald D. Howard, President
Principal Executive Officer

Date: May 13, 1992

By: Richard E. Eason
Richard E. Eason, Senior Vice President
Principal Financial Officer

EXHIBIT 1 - STATEMENT REGARDING COMPUTATION OF PER SHARE EARNINGS

	For the Three Months Ended March 31, 1992	1991
Net income (loss)	($ 31,588)	($ 177,104)
Weighted average shares outstanding	612,641	612,641
Net income (loss) per share	($ .05)	($ .29)